HEALTH CARE CABINET UPDATE: Public Act 17-2, June Special Session (SB 1502)
11/14/17

Health Care Delivery Reform:

Urgent Care Licensure - §§39 and 674-675

- Establishes a new licensure program for urgent care centers; changes the license renewal timeline for outpatient clinics from every four years to every three years; and authorizes the Commissioner of Social Services to establish payment rates for urgent care centers
- Adds two positions in FY 2018 to implement this licensure; fee receipts from adopting triennial licensure and licensure of urgent care centers are anticipated to generate sufficient revenue to cover the costs of these positions

Behavior Analyst Licensure - §§187-199

- Requires behavior analysts to be licensed by the Department of Public Health with an initial application fee of $350 and renewal fee of $175; requirements for licensure include certification by the Behavior Analyst Certification board
- Establishes a General Fund account to contain such licensing fee revenue to cover the costs of collecting the fees

Intellectual Disability (ID) Partnership Advisory Committee/ID Partnership Related Initiatives - §222

- Budget includes $1.4 million in FY 18 and $1.9 million in FY 19 to support rate equality and fund continuum of care development
- Creates an ID Partnership Advisory Committee to the ID Partnership (OPM, DDS, and DSS) that includes broad and diverse representation from families, providers, and advocates for persons with intellectual disability, including individuals with high-level needs. The purpose of the ID Partnership is to increase access to quality services of persons with intellectual disabilities by following the successful Behavioral Health Partnership model.

Funding for Autism Services - §30

- Directs $750,000 in each of FY 2018 and 2019 from the Tobacco and Health Trust Fund to the Department of Social Services to implement recommendations to enhance and improve the services and supports for individuals with autism and their families

Birth-to-Three Provider Penalties - §166

- Temporarily prohibits (Nov. 1, 2017 to April 30, 2018) the Department of Social Services from extrapolating overpayments or assessing penalties against birth-to-three intervention providers during the implementation of a fee-for-service methodology

Decrease to the PCMH+ Initiative - Budget

- Includes a decrease of $350,000 in FY 18 and $750,000 in FY 19 for the PCMH+ initiative

Medicaid Provisions:

Medicaid and Special Education - §§51-54

- Requires all school districts to bill for special education and other health services provided on behalf of Medicaid eligible children
- Assists towns in mitigating rising special education costs through a unique arrangement that allows them to share in federal revenue received for special education and school based child health billing. (Towns receive 50% of the federal revenue, resulting in reimbursement of 25% of their Medicaid eligible costs.)
- Requires each local or regional board of education to comply with parental consent and written notification requirements prior to billing for the services.

Align Income Eligibility for HUSKY A Adults with Other States - §§138-139

- Lowers the income limits for HUSKY A parents and caretakers from 155% to 138% FPL
- As of January 2016, Connecticut was one of only a few states still providing coverage to parents and relative caregivers with income over 138% FPL
- To the extent the provisions of the Affordable Care Act remain in place, adults impacted by this bill will be able to receive coverage through Access Health CT and will be eligible for tax credits that reduce premium costs, as well as reduced cost sharing.
- Coverage for pregnant women and children enrolled in HUSKY A will not be impacted by this bill
- Includes savings to the state of $500,000 in FY 2018, $11.3 million in FY 2019, and $14.9 million in FY 2020 ($1.0 million in FY 2018, $22.6 million in FY 2019 and $29.8 million in FY 2020 after factoring in the federal share)

HUSKY A Prescription Drug Cost Sharing - §201

- Prohibits DSS from imposing cost sharing requirements for drugs on the Preferred Drug List (PDL) (or on non-PDL drugs if the physician certifies it is medically necessary) for HUSKY A parents and caretakers

Medicaid Primary Care Provider Rates – Budget

- Under the Governor's Executive Order Resource Allocation Plan, rates were reduced to 90% of the 2014 Medicare rate from 100%
- Effective December 1st, primary care rates will be increased to 95% of the 2014 Medicare rate

Limit on Non-emergency Adult Dental Services - §49

- Caps payment for nonemergency dental services for adults to $1000 per calendar year, but exempts medically necessary services, including dentures, from the cap
- Aligns with annual maximums in place under many commercial plans, and is consistent with the standard practice of phased in dental care for individuals requiring extensive treatment
- Includes savings to the state of $2.0 million in FY 2018 and $2.5 million in FY 2019 ($6.4 million in FY 2018 and $7.9 million in FY 2019 after factoring in the federal share).

Reset Eligibility Levels for the Medicare Savings Program (MSP) - §50

- Reduces eligibility levels for the MSP program to align with other states (CT is one of only 5 states that have income limits for this program that exceed federal minimums)
- Maintains the existing practice of not administering an asset test; CT is one of only eight states that does not have an asset test for MSP
- After factoring in some funding to assist with the transition, this proposal will result in total savings, including the federal share, of $107.5 million in FY 18 and $260.0 million in FY 19 and net savings to the state of $53.8 million in FY 18 and $130.0 million in FY 19.
- *Background*: MSP participants receive Medicaid-funded assistance with their Medicare cost sharing under three different tiers that are displayed below

MSP Program Tier	Cost-Sharing Payments Covered	Current Law Income Limit	Under the Bill Income Limit
Qualified Medicare Beneficiary (QMB)	-Medicare Part B Premium -All Medicare deductibles -Co-insurance	<211% FPL	<100% FPL
Specified Low-Income Medicare Beneficiary (SLMB)	Medicare Part B Premium	211-231% FPL	100-120% FPL
Qualified Individual (QI)	Medicare Part B Premium	231-246% FPL	120-135% FPL

Note: Income eligibility figures under the bill do not include a monthly income disregard of $20, the federal minimum.

Medicaid Funding for Family Planning - §213

- Allows DSS to offset federal funding reductions for family planning services and supplies for family planning clinics that meet DSS' requirements for participation in the Medicaid program, if the General Assembly, by vote, approves the use of state funds for that purpose

Home Health Care Add-ons - §§558, 572

- Allows DSS to eliminate home health care add-on payments for FY 2018 and 2019, consistent with current statute; these add-ons were eliminated effective August 11, 2017 under the Governor's Executive Order Resource Allocation Plan

Public Health Provisions

Human Papillomavirus (HPV) Vaccine – Budget

- Provides $11 million in funding on an annualized basis to make the HPV vaccine universally available to privately-insured eleven and twelve year olds through the Connecticut Vaccine Program, comparable to access now afforded to publicly-insured children through the federal Vaccines for Children program
- Vaccination for HPV has been recommended by the Centers for Disease Control and Prevention
- Similar to other universally-available vaccines, DPH will purchase the HPV vaccine at a federally-negotiated price that is currently approximately 45 percent lower than the market price, resulting in significant savings for private health insurers who support the childhood immunization program through an industry assessment.

Clean Drinking Water in Connecticut - §§676-677

- Addresses shortfalls in federal funding that support DPH efforts to ensure the adequacy and purity of Connecticut's drinking water by creating a new assessment methodology
- Aligns Connecticut with the majority of other states that utilize fees and service charges to support public drinking water programs
- Applies the new safe drinking water primacy assessment in FY 2019 to only to certain types of water systems and caps it at $2.5 million; for future fiscal years, OPM and DPH will work together with water companies to develop and implement a permanent methodology

Tobacco Tax Increases - §§628-631

- Increases the cigarette tax from $3.90 to $4.35 per pack (annual revenue increase of $38.9 million)
- Increases the tax on snuff tobacco products from $1 to $3 per ounce (annual revenue increase of $11.1 million)
- Imposes a one-time floor tax, in which the new tax is applied to all the cigarettes in inventory (one-time revenue gain of $5 million)
- Lowers the tax rate of "modified risk tobacco products" by 50% - this is a federal designation by the FDA that identifies tobacco products as reducing harm or having a lower risk of tobacco-related disease. To date, no tobacco product has received this designation.

Insurance-Related Provisions

Insurance Premium Tax Reduction and Credit Cap §§622-625

- Beginning January 1, 2018, reduces the tax paid by insurers and HMOs on premiums from 1.75% to 1.5% (reduces revenue of $11 million in FY 2018 and $22.4 million in FY 2019)
- Restores and makes permanent the annual cap on the amount of tax liability insurers can reduce with tax credits (adds revenue of $17.4 million in FY 2018 and $16 million in FY 2019)

Removal of Unnecessary Insurance Mandates §§202-203

- Eliminates the requirement that certain individual and group health insurance policies cover:
    - evidence-based maternal, infant, and early childhood home visitation services designed to improve health outcomes for pregnant women, postpartum mothers, and newborns and children, including maternal substance use disorders or depression and relationship-focused interventions for children with mental or nervous conditions or substance use disorders;
    - intensive, family- and community-based treatment programs that focus on environmental systems impacting chronic and violent juvenile offenders;
    - other home-based therapeutic interventions for children;
    - chemical maintenance treatment (i.e., when a person is admitted for the planned use of a prescribed substance under medical supervision); and
    - extended day treatment programs for children or youth with emotional disturbance, mental illness, behavior disorders, or multiple disabilities
- Coverage provisions being repealed are not anticipated to materially change the scope of benefits currently provided

Long Term Care Provisions:

State Department on Aging (SDA) and Long-Term Care (LTC) Ombudsman Consolidation-§§278-319, 732

- Consolidates SDA into the Department of Social Services, and transfers the LTC to the Office of Policy and Management
- In the short term, pursuant to a memorandum of understanding, SDA, along with the LTC Ombudsman, will be consolidated into the Department of Rehabilitative Services

Department of Social Services Certificate of Need (CON) Statutes - §§182-184, 732

- Allows nursing facilities that participate in Medicaid to have the flexibility to relocate beds from an existing nursing facility to a new or replacement facility, subject to the CON process – previous law only allow transfers of bed to existing facilities
- Exempts continuing care facilities that do not participate in Medicaid from the CON process
- Removes outdated and obsolete references